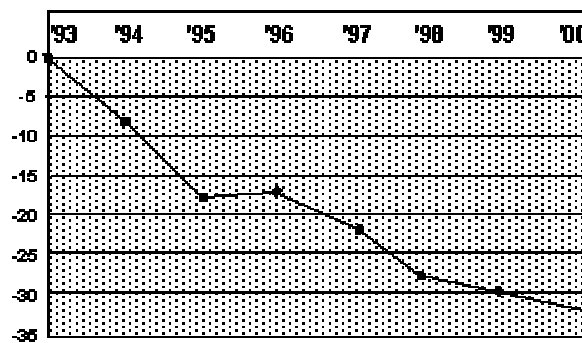


A COMPARISON OF WORKER'S COMPENSATION PREMIUM RATES

Wisconsin recognizes that low worker's compensation insurance premiums are a factor in attracting industry to the state and encouraging expansion. Effective 10/1/2004, WC rates were further reduced by an average of 4.15 %, producing additional annual savings for employers.

Over the past 11 years Wisconsin's Worker's Compensation Premium Rates have declined by 33%, resulting in over \$1 billion in savings. A study conducted in late 1996 by the State of Oregon ranked Wisconsin's Worker's Compensation Premium Rates as the **sixth lowest in the nation**. Within the four-state area of Wisconsin, Michigan, Minnesota, and Illinois, Wisconsin's rates are very competitive. In many cases, a Wisconsin location represents significant savings on worker's compensation premiums while buying more value.



The overall Worker's Compensation Insurance rate will drop again from July 1, 2000 to June 30, 2001, as announced by the OCI.

Worker's compensation insurance rates in Wisconsin, Michigan, Minnesota, and Illinois are shown by industry in the chart on the back of this fact sheet. Compare for yourself.

Wisconsin Worker's Compensation Insurance Saves You Money

- ✓ Wisconsin's good industrial record and heritage as a pioneer in the development of worker's compensation programs make this possible. Our program is comprehensive and well administered.
- ✓ As a result, we experience a low level of litigation in comparison to other states. Fewer contested cases also mean that a significantly higher portion of the insurance premiums is paid out in direct benefits to an employee, rather than expended in litigation costs.
- ✓ The test of a good compensation law is prompt delivery of maximum benefits to the injured worker with a minimum of waste and with benefits in proportion to the cost to industry. *No state comes near Wisconsin in meeting this model program standard.*
- ✓ Worker's compensation insurance coverage is compulsory for Wisconsin employers.
- ✓ Qualified employers, usually large firms with a big risk factor and adequate financial and administrative resources, may participate in a self-insurance program.
- ✓ See Reprint from **THE BUSINESS JOURNAL**, page 3.

2003 WORKER'S COMPENSATION INSURANCE RATE COMPARISONS (Rates represent actual cost per \$100 of payroll)					
Code	Description	07/01/02 WI Uniform Risk	04/01/03 MN Assigned Risk	01/01/03 IL Assigned Risk	01/01/03 MI Assigned Rates
2802	Carpentry Shop	5.59	5.50	10.43	11.95
2883	Furniture Mfg. -Wood	5.32	6.36*	8.84	5.02
3022	Pipe/Tube Mfg.	7.25	5.46	8.23	7.15
3066	Sheet Metal Shop	6.35	8.03	9.53	10.23
3113	Tool Mfg.	2.25	4.25	4.60	5.47
3114	Tool Mfg. - Finishing	3.79	3.23	6.49	5.90
3179	Electrical Apparatus Mfg.	4.50	3.17	5.90	4.43
3400	Metal Goods Mfg.	5.83	6.53	9.02	7.86
3507	Agricultural Machinery Mfg.	5.19	6.01	12.60	5.71
3612	Pump & Engine Mfg.	4.42	4.69	8.02	5.41
3629	Precision Machine Parts	3.55	4.07	4.20	4.81
3632	Machine Shops	4.20	5.57	7.76	5.92
3643	Electric Power-Trans. Equip	3.20	3.17	8.39	4.68
3685	Instrument Mfg.	2.06	1.96	3.63	2.24
4239	Paper Mfg.	3.03	5.59	10.17	5.49
4244	Corrugated Container Mfg.	3.75	6.64	7.61	7.15
4250	Paper Coating	2.19	2.42	8.03	3.01
4279	Paper Goods Mfg.	3.70	4.62	7.31	6.54
4299	Printing	3.09	5.08	8.76	3.86
4410	Rubber Goods Mfg.	5.49	7.94	8.61	6.10
4452	Plastic Fabricated Products	3.88	4.22	8.46	6.71
4459	Plastic-Sheets, Rods	3.73	5.96	6.68	5.31
4484	Plastic Mfg. Molded Products	4.09	5.85	6.23	5.69
4611	Pharmaceutical Preparation	2.90	2.82	3.45	1.99
4902	Sporting Goods Mfg.	3.86	5.46	6.27	4.17
7423	Aircraft Opr. – All Employees	4.01	9.20	8.87	3.82
8601	Engineers	.75	1.43	1.47	1.29
8742	Outside Salespersons	.61	.95	.69	.69
8810	Clerical Office	.30	.35	.39	.38
	AVERAGE	\$ 3.75	\$ 4.71	\$ 6.92	\$ 5.14
* The rates listed for Michigan (MI), Minnesota (MN), and Illinois (IL) are assigned risk rates only. Individual insurance companies and specific corporations assign their own rate. In Wisconsin the rates are uniform. Illinois, and Michigan rates are effective 01/01/2003. Wisconsin rates are effective 07/01/2003 and Minnesota rates are effective 04/01/2003.					

Reprinted from *THE BUSINESS JOURNAL*, April 6, 1998

Wisconsin is land of worker's comp fairness

Comment On Worker's Comp

By:David Newby & James Haney

The Wisconsin worker's compensation system doesn't make the newspaper headlines very often--it's just good government serving the best interests of workers and employers.

Since Feb. 18, 1968, the Worker's Compensation Advisory Council has been steadily guiding and molding Wisconsin's system into one of today's premier worker's compensation systems.

That's not the case everywhere. Earlier in this decade, Rhode Island newspapers described that state's worker's comp system as a "monster on the loose." A gubernatorial report called the Texas system, "a genuine source of embarrassment." Minnesota's governor challenged his legislature four years ago to make its system cost-competitive with neighboring states or replace it with Wisconsin's.

By contrast, a national trade magazine, Risk & Insurance, called Wisconsin "a worker's comp utopia." because "the state is not embroiled in a bitter battle over its (workers' comp) legislation. There is little confrontation, little legal hassle."

The reason is Wisconsin's tradition of collaboration between labor and management through the Worker's Compensation Advisory Council. Consisting of five labor representatives and five from management, plus three non-voting representatives of the insurance industry, the council provides a forum for labor and management to work together to improve the Worker's Compensation Law. The system, now in its 30th year in its current form, has helped to build one of the premier worker's compensation systems anywhere.

Wisconsin's worker's compensation system is regarded as a model for other states. The most recent inquiry came from New South Wales, Australia, where the final report recommended adopting an advisory council system similar to Wisconsin's.

Greg Krohm, Wisconsin's council chairman, has been asked to participate on the Worker's Compensation Research Institute study of labor-management advisory councils to document the growing importance of labor-management councils in directing worker's compensation benefit and administrative policies.

The national Workers' Compensation Research Institute concluded that Wisconsin has "the lowest rate of requests for litigation of any state we have studied," precisely because "management and

labor control the system ... through a labor and management advisory council."

The labor-management council makes possible Wisconsin's "agreed bill" process, which provides a buffer from political pressures that can result when one party or the other gains dominance in the legislative or executive branch. It works this way: labor and management develop proposed law amendments before formally submitting them as a single, un-amendable legislative bill.

To date, the Legislature and the governor have always accepted the council's recommendations and enacted them into law. Council members also brief legislators on pending worker's compensation issues and respond to legislative concerns with the system.

While neither labor nor management would say the system is perfect, Wisconsin worker's compensation has been a leader in tackling these tough problems.

Last year, Wisconsin took a major step to protect 40,000 workers whose employers failed to provide worker's comp insurance. The great thing about Wisconsin's Uninsured Employers Fund is that the employers who cause the problem pay for the program.

"Using "tie breaker doctors" at University of Wisconsin-Madison Hospital's Department of Rehabilitation Medicine, employers and their injured workers can resolve, in less than a month, disputes about medical treatment that typically take a year or more to resolve through the traditional hearing process.

Worker's compensation insurance costs have been reduced 23 percent during the last four years.

The fundamental achievement of the council is the stability of the Wisconsin worker's compensation program. Collaboration between labor and management prevents the erratic swings in employee benefits and employer premium rates that other states have experienced. Issues such as employee benefits, early return to work, medical treatment restrictions and workplace safety remain high priorities for today's council members. © 1998, *The Business Journal*

David Newby is president of the Wisconsin State AFL-CIO; James Haney is president of Wisconsin Manufacturers & Commerce.